

To: The Department of Justice

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From James D. Murphy
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Regarding
Microsoft Settlement

Summation of My View

The settlement should be left as is and not changed as being sought by 9 states.

Comments

I have been a stockholder of IBM, Oracle, Computer Associates and Microsoft over the past 15 to 20 years. I invested in this area of technology because I believed that U.S. industry could compete in software, but would find it almost impossible in hardware due to countries like Japan and China and Korea having significant advantages in the hardware arena.

(I have done well, and as it turns out, I may also have done well in U.S. hardware, but software was my plan, and I stayed with it.)

My view of the software battle is that IBM lost, my view I repeat is IBM lost --- Microsoft did not win.

The reasons IBM lost were of IBM'S doing .. can you believe a monster monopolist manufacturer who bought LOTUS in order to defeat Microsoft -- and they lost, and then figured out the only way to get back in was the Government.

In my view those involved in the software wars of that past time period continue to view IBM's mistakes as unbelievable and those mistakes resulted in Microsoft becoming, I guess, what the court has decided is a monopoly.

But not a monopoly created illegally, and in my view not a monopoly created by Microsoft.

Nobody liked Microsoft then anymore then than they do today, but it turned out that we valued IBM's product even less,

Does anybody remember who IBM put in charge of LOTUS.

As we proceed on from those past days to the more current events surrounding the vast worldwide communications arena, I am at a complete loss as to how Microsoft can be judged to be acting illegally because it is a monopoly but that it would not be so judged if it were not a monopoly.

What other country in the world, past or present, would view such a performing asset as a monopoly, if it were their own, and try to inhibit its growth and aggressiveness.

And I suggest that the court somehow make all aware that just making a finding yesterday that Microsoft was a monopoly last year does not make it so this year or even yesterday. And so in that legal tangle, I suggest that if one can become a "monopoly" without prior legal notice then the opposite must also be true and, so since in my view today Microsoft is not a monopoly, it should now conduct its business in that manner, no, it must conduct its business in that manner.

In the overall world of business, my charts show Microsoft ranks 125th in Revenue, and in its competitive world it is not even a third of IBM, and less than half of AT&T. It is not a fourth of GE. It seems to mush around the likes of Brit Telecom, Dell Computer, Compaq, France Telecom, Telecom Italia, Telefonica, and is a third of Siemens, Verizon, and half of SBC, and maybe some 70% of Nokia and AOL.

Is there some belief that these corporations are not competitive -- it seems to me Microsoft is the little guy in the schoolyard being punished because he does his homework.

Aha, someone says, the gauge should not be Revenue, it should be EBITDA. Well I suggest the court make all aware of the gang ahead of Microsoft in that category. Number one is NTT, proud owner of DoCoMo, some five times Msoft size and good old GE three times, and even struggling IBM a third larger. All larger and with competitive WEB intent are VERIZON, ATT, SBC and close by are BELL SOUTH, TELEFONICA, and the French and Italians.

I believe these bigger guys are trying to push Microsoft on down the communications pile and intend to hold themselves on top, and since it is unlikely that the prior court decision will be reversed, let us end it now, and let little old Microsoft continue to compete in the world marketplace.

Respectfully,


James D. Murphy